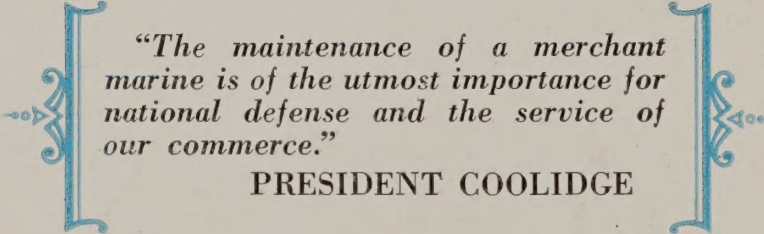


The FARMER *and The* AMERICAN MERCHANT MARINE

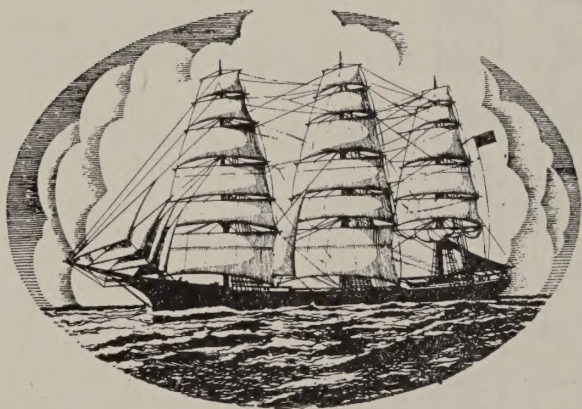




*“The maintenance of a merchant
marine is of the utmost importance for
national defense and the service of
our commerce.”*

PRESIDENT COOLIDGE

The FARMER
and
The AMERICAN
MERCHANT MARINE



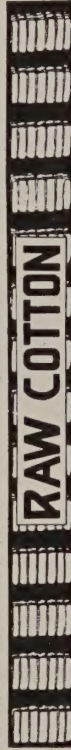
An adequate Merchant Marine is indispensable to the prosperity and security of our country. You contribute toward its support when you use American ships.

AMERICAN AGRICULTURE AND AMERICAN SHIPS



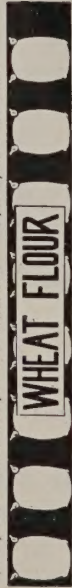
WHEAT

657,067 TONS-164,452 CARLOADS - 245,581,168 BUSHELS



RAW COTTON

4,257,586 TONS-106,440 CARLOADS - 19,073,986 BALES



WHEAT FLOUR

3,299,021 TONS - 82,476 CARLOADS - 37,703,097 BARRELS



CORN

1,243,655 TONS - 31,091 CARLOADS - 49,746,200 BUSHELS



BARLEY

884,509 TONS - 22,113 CARLOADS - 41,277,087 BUSHELS



RYE

704,247 TONS - 17,606 CARLOADS - 28,169,880 BUSHELS



DAIRY PRODUCTS

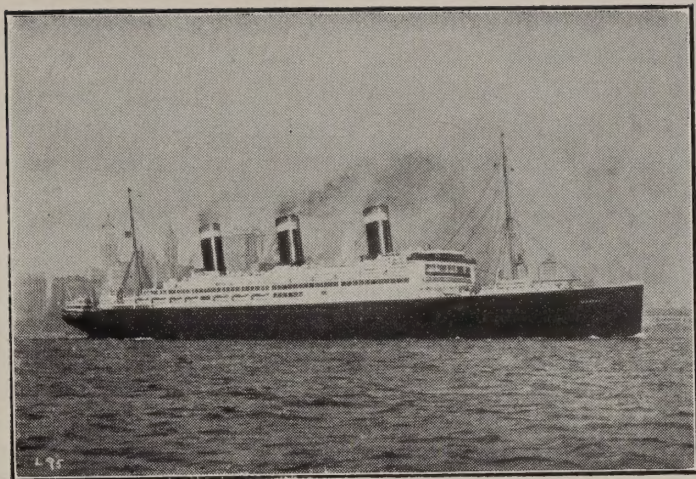
606,512 TONS - 15,163 CARLOADS - 1,358,586,880 POUNDS



FARM PRODUCTS CARRIED TO FOREIGN MARKETS IN U.S. SHIPPING BOARD VESSELS

FOR THE PERIOD
JAN. 1, 1921 TO DEC. 31, 1927
49% OF ALL PRODUCTS CARRIED
DURING THE CALENDAR YEAR
1927
BY U.S. SHIPPING BOARD VESSELS
WERE FARM PRODUCTS

SPECIAL REPORT
DIVISION OF STATISTICS
BUREAU OF RESEARCH 1935B



S.S. Leviathan—The World's Largest Ship.

The Farmer and the American Merchant Marine

REASONS FOR YOUR PATRONAGE— FREIGHT AND PASSENGER

FEW men who plow and reap on the farms of the United States realize how ocean shipping influences the prices received for the result of their labors. It is largely the foreign demand that makes the price in the world's markets. For the past two years the United States wheat surplus available for export has been, each year, over 200,000,000 bushels. Upon the satisfactory disposal of this surplus largely rests the amount of money the farmer receives for his crop. Here is where the farmer becomes vitally interested in ocean transportation and an American merchant marine, and here are the reasons why our people should encourage with their patronage the pas-

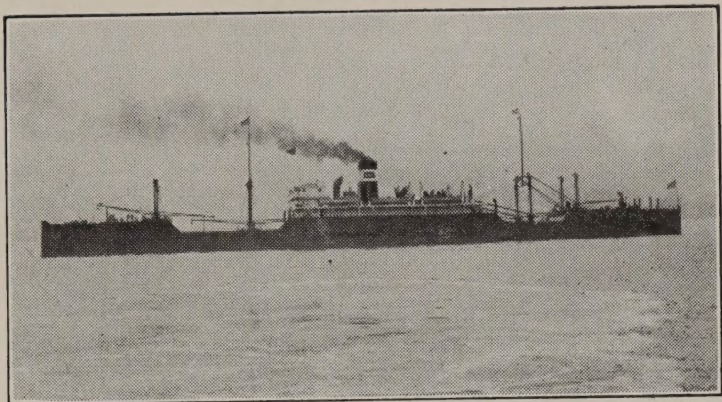
senger and freight services of an American merchant marine.

More than one-sixth of the total products raised on American farms is sold in foreign markets, and practically one-half of all the wheat which reaches the market goes to foreign customers. Europe is, of course, the largest buyer of our agricultural products. Last year we sold in European markets wheat to the value of \$163,000,000.00; lard, 489,000,000 pounds; meats, 242,000,000 pounds. Great Britain is the largest single customer of the American farmer. In that year there was shipped to the United Kingdom alone lard to the value of \$32,000,000.00, wheat to the value of \$57,000,000.00 and cotton going well over \$202,000,000.00, while the total value in 1927 of grain and grain products shipped to all foreign ports totaled \$404,000,000.00 and cotton well over eight hundred fifty millions of dollars.

The total value of live animals exported, in 1927, amounted to \$5,949,000.00. The value of exported animals and animal products totaled \$373,635,000.00. Whether these enormous shipments of farm produce are handled by American ships, friendly and ready to aid, is of great importance to the raisers of produce, and the maintenance of reasonable freight rates is equally important. The total ocean freight bill of this country last year approximates \$760,000,000.00 and a considerable portion of this is levied on the farmer.

"American passengers and American cargo for American ships. American patriotism will furnish both."

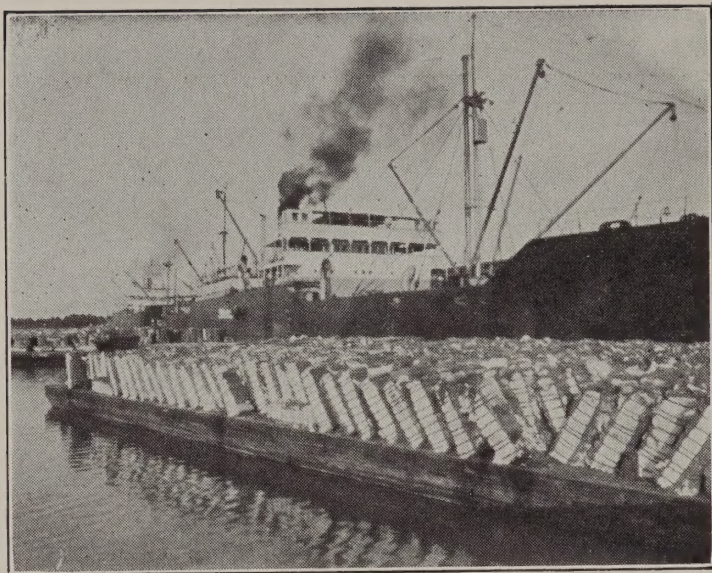
CHAIRMAN T. V. O'CONNOR,
United States Shipping Board.



S.S. American Farmer—A popular American Liner

The United States Shipping Board, through operating companies, now maintains ocean freight services to many important foreign markets. The influence of this fleet of American-owned vessels on ocean freight rates is easily recognized by a glance at the trend of rates during the period from before the war to the present time. The ocean freight rate on wheat rose from approximately eight cents (8c.) in 1914 to over twenty-seven cents (27c.) in 1915 and continued to rise until it reached one dollar and thirty-six cents (\$1.36) per bushel. The effective activities of the United States Shipping Board began in 1920 and its influence on rates is amply demonstrated by the fact that rates were brought down until in 1923 they were at approximately the same level as in 1914.

The average cotton rates rose from forty-one cents (41c.) per hundred pounds to a maximum of six dollars and twenty-five cents (\$6.25), from which point the rates declined until now they, too, are at approximately the pre-war level: Just think of it—ocean shipping rates down to pre-war level. This is the only thing, so far as is known, in which such a condition has been



Ships are Essential to the Cotton Trade.

reached in respect to any matter which concerns the finances of our farmers.

The ships that carry the trade control it. The nation that owns the ships is the master of the markets its trade seeks. The nation that is compelled to use the ships of a competing nation subjects itself to the dictates of that nation.

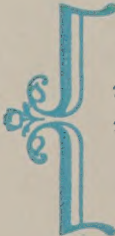
**Only a Five Per Cent Increase in Freight Rates
Means Over \$36,000,000.00 Additional
Cost to Our Nationals**

The importance to the American farmer of the United States controlling ocean freight rates is evidenced by what the slightest increase in those rates would do in the way of an increase in our total ocean freight bill. With ocean freight rates increased only 5%, equivalent to one cent (1c.) per bushel on wheat, the extra freight bill to the American producers and

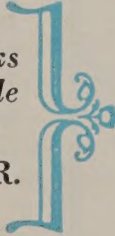
shippers of **export** products would amount to more than \$20,000,000.00 per year and the extra freight bill to the American consumer of **imported** products would average approximately \$13,000,000.00 per year, **making a total annual increase in our ocean freight bill of over \$36,000,000.00.** Taking the average amount of domestic wheat exported from the United States for the past four years, an increase of only one cent (1c.) per bushel on ocean freight rates would have cost our farmers over eight million dollars (\$8,000,000.00) for that period. Thus, it can easily be seen how vitally important it is to all classes of American citizens that the United States be in a position to stabilize ocean freight rates.

During the war times American agriculture was greatly expanded; our production grew at an enormous rate. This increased production is largely continuing and will continue. To insure agricultural prosperity new and larger foreign markets must be found for the products of American farms.

That these markets do exist is shown by the fact that foreign customers are each year purchasing American farm products to the value of almost two billion dollars. These foreign markets can be held and expanded only if America controls ocean-going freighters capable of rendering satisfactory service at reasonable rates, and providing this ocean freight service is capable of expansion to care for the peak loads which come with the harvest time.



*"A store without its own clerks
would be like American world trade
without its own ships."*



VICE CHAIRMAN E. C. PLUMMER.

The demands of agriculture are seasonal. Our railroads are prepared to meet this demand. However, if the movement of crops is to be as efficient and expeditious as it should be, the ocean ports these railroads feed must have an increased number of ships at certain times of the year. This service the United States Shipping Board has rendered and is prepared to render until private lines are developed.

This making possible an orderly movement of our agricultural products onto the highways of the sea means a lessening of the fluctuations in prices and the maintaining of prices at a higher level. It is only an American merchant marine that can be depended upon to render this service whenever and wherever congestion in ports may occur.

Foreign ships might give us this service when required, and they might not. Our people must learn to think of the control of the highways of the sea as being just as essential to our prosperity as are our railroads. No one would be aroused more quickly than we would be if England, or France, or Germany, or even Canada got possession of our railroads.

Then let us think of our steamship routes as continuations of these same railroads, just as necessary to our economic welfare, and let us be just as zealous to develop them into a strong American merchant marine, worthy of the greatest exporting country in the world. Let us

"Shortsighted economists tell us 'let nations carry our products who can carry them cheapest.' We did—prior to the War—and it cost our country three billion dollars. in addition to the hundreds of millions paid to our competitors annually for that privilege."

COMMISSIONER JEFFERSON MYERS

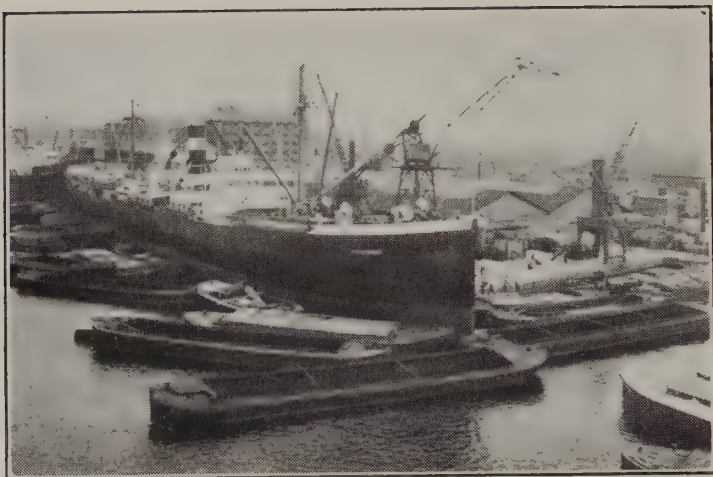


Export Flour at a Terminal for Shipment Abroad.

be as loyal in our patronage of our freight and passenger services as citizens of foreign countries are to their marine services.

There has been an enormous increase in the shipment to foreign customers since the United States Shipping Board began its services and agricultural products constitute one of the largest items in ocean shipping. The farmers of the Nation therefore have a vital interest in American owned and American controlled ocean freight ships, especially as a large proportion of the tonnage of agricultural products to be shipped to foreign markets originates in the interior of the country, where the combined rail and ocean freight rates are maximum.

From the standpoint of our agriculture there never has been a time when the Nation has had more need for a strong merchant marine. The industrial revival in Europe and other countries is being followed by the keenest competition that



A Staunch American Freighter Discharging Cargo.

American agriculture has ever experienced. In this contest for world market supremacy the question of ocean freight rates is very important and may become a deciding factor. If the American merchant marine is to be allowed still further to decline and ocean rates are to be dictated largely by foreign shipping interests, the foreign trade of the United States, in agricultural and manufactured produce, will be subject to serious disadvantages.

As Secretary Wilbur aptly said recently:—
“The right to levy a tax upon our goods during the trip across the water in the form of freight rates is a power that we would not willingly yield to any foreign nation or foreign company.”

The nations controlling ocean shipping will accommodate the needs of their own trade first and only their surplus tonnage will be placed at the disposal of the shippers of the United States. Opposition of foreign interests to the development of an American merchant marine is based more on the adverse effect that

such a development would have on trade of foreign nations than the more obvious and direct disadvantage it would be to the foreign shipping industry.

Since this vital question is one of the paramount issues now before the people of the United States, citizens should see to it that the United States' policy regarding an American merchant marine is one which will serve this and future generations. We must not allow the American flag to be driven from the seas.

CAN WE GO BACK TO 1913?

IN the days of 1913, and thereabouts, the United States' farmer, stockman and merchant was almost wholly dependent upon foreign ships to carry his exports and imports. American flag ships were transporting less than 9% of our foreign commerce.

Today our foreign commerce has increased more than 116% in value and 40% in volume. In those pre-war days our total wheat export amounted to \$89,036,000.00. In 1927 this sum had grown to \$227,744,000.00. Automobiles and trucks showed a total pre-war annual export value of \$26,013,000.00, while in 1927 this increased to \$257,857,000.00.

Our foreign commerce is each year increasing and the prosperity of our country becomes more and more dependent upon our ability to buy and sell in foreign markets. As an example of this increase in the Orient the figures re-

"No business can succeed that depends on its competitors to make its deliveries."

COMMISSIONER R. K. SMITH

cently given out by Dr. Julius Klein are enlightening. "In 1913," he says "our total trans-Pacific commerce, exports and imports, was only \$462,000,000.00, amounting to 12% of our total imports and 7% of our total exports. Last year, in 1926, the United States did a business with the Orient of \$2,215,000,000.00. This constituted 30% of our total imports and 14.6% of our total exports."

The stabilization of new governments in China and Russia means an increase in our trade with these countries that we do not now appreciate. Shall Japanese or American ships carry this trade?

Can we go back to the days of 1913 and become almost entirely dependent upon foreign countries to haul this enormously increasing volume of business?

Exports from the United States of grains and grain products for 1927 amounted to \$404,000,000.00 as compared with \$263,000,000.00 in 1926, an increase of 54%. Cotton exports reached the record figure of 11,560,000 bales as against 8,212,000 bales in 1926 or an increase of 41%.

The growth in exports of fresh and dried fruits is surprisingly large. During the last year United States growers exported 4,483,000 barrels and 7,844,000 boxes of fresh and dried fruits (these two figures are fresh apples only), an increase in value over the previous year of approximately 70%.

"Food, production, commerce, distribution, transportation; farm, factory, railroads and ships—all necessary elements in our modern civilization. Who questions the need of an American Merchant Marine?"

COMMISSIONER ALBERT H. DENTON

AMERICAN AGRICULTURE AND AN AMERICAN MERCHANT MARINE

Extract from Address of Chairman T. V. O'Connor, of
the United States Shipping Board, at Georgetown
University, October 3, 1927.

AT this time of the year, when the American farmer is harvesting his crops, it seems particularly appropriate to ask the question "Just what does the existence of an American Merchant Marine mean to American agriculture?"

I have no doubt that the average mind of the farmer who sees the sun rise and set across corn and wheat fields is very vague in his thoughts about what happens to his crops after he sells them. He knows, of course, that most of his corn is used to fatten livestock and that his wheat is used in the manufacture of either flour or cereals. Quite vaguely, perhaps, the farmer thinks of his grain being sent to Europe and there being sold in the markets where grain from other countries can also be bought. In short, he knows that when his grain gets beyond the borders of the United States it must compete with the grain of the world and, since grain is grain the world over, it must get to market at a cost which is equal to or less than the price the consumer would pay for grain from other parts of the world.

It may be a long way back from the European market to the American farmer, but sooner or later the farmer is the one to suffer if anything goes wrong along the way.

Control of the situation rests in the control of transportation. Nearly twenty per cent of our total farm products are not needed in the home markets and this part must be disposed of outside the country. If it is not, or if it cannot be shipped, the effect is an over-supply at home and a lowering of prices all around.



The Vast Northwest Supplies Wheat for Export.

That may be called the economics of the case or it may be called common sense. Either way the result is the same.

In talking about our surplus farm products, we are not speaking of trifles. Last year this surplus was worth more than two billions of dollars. Imagine leaving such an amount of business to be delivered at the convenience of our competitors. It is almost unthinkable that we should depend upon them to deliver it. Yet for seventy-five years prior to the War we depended upon foreigners for the delivery of practically all of it. Our grain and cotton went to market in foreign ships and when the war broke out in 1914, we got a taste of what that could mean. The foreign boats were doing something else and of American ships there were **none**. Grain and cotton and corn and flour were shipped to the seaboard. They filled the docks and crowded the terminals. They could be sent no farther because ships could not be had. And by the time the thing was finally straightened out depressed markets had ruined many of our farmers.

If there had been an American Merchant Marine, all this would not have happened.*****

If you and I each run stores, and you have a delivery truck and I have none, you are going to get the business. And if I have an arrangement with you to deliver goods for me, you are still going to undersell me, for you are going to charge me more for your services to me than it will cost you to deliver your own goods. Other nations besides ourselves have wheat for export. Those nations are the "other stores." They have their delivery trucks and we must have ours. Then, and only then, can we be sure that our goods will get to market at just as low, or at lower cost than the goods of other nations.

Will it be good business for the United States to permit foreign countries to dictate the freight rates to be charged on this enormous and important business?

Had the ocean freight rates in the past year been increased by only approximately thirty-seven cents per gross ton equivalent to one cent per bushel on wheat there would have been added to the United States foreign freight bill a total of \$36,500,000.00.

The importance of ocean freighting is each year becoming more vital to the American farmer, the American stockman and the American manufacturer. Can these branches of our agricultural and industrial life afford to become dependent upon their foreign competitors for boats in which to ship and permit their competitors to name ocean freight rates?

"How are we to build up a great trade if we have not the means of transportation upon which all profitable and useful commerce depends?"

WOODROW WILSON

THE SHIPPING BOARD RENDERED VALUABLE SERVICE

Extract from letter issued by the Middle West Foreign
Trade Committee.

IN the fall of 1926, during the British coal strike, again foreign ships deserted our trade because of this national crisis in Great Britain. What the American merchant marine saved to the agricultural interests of the United States and what it meant in stabilizing the prices of agricultural products in dollars is difficult even to conjecture, but it is safe to say it accomplished those two things.

The movement of seasonal cargo maintained an export market for American producers, preventing fall in market price and loss in revenue that would otherwise have resulted.

ANSWERS TO YOUR QUESTIONS ABOUT THE AMERICAN MERCHANT MARINE

THE American Merchant Marine is a fleet of ships, owned and operated by Americans, some owned by the government and some by private capital, but all subject to the laws and regulations of and entitled to the protection of the United States.

Under the terms of the Merchant Marine Act of 1920, an American registered vessel cannot be transferred to foreign registry without permission of the United States Shipping Board, and it is always subject to requisition by the government in time of war. All repairs, except emergency repairs, must be made in the United States, the officers and crew must be American citizens whenever possible; equipment, supplies and provisions must be purchased in the United States as far as practical and the crews paid off in their home port in the U. S. A.

The United States Shipping Board

The United States Shipping board consists of seven members, from different parts of the United States, bi-partisan, appointed by the President and confirmed by the Senate.

Their powers and duties are manifold, but in the main to supervise and enforce the provisions of the marine laws and regulations and in a general way direct the disposition and operation of the ships owned by the government.

During the war period the government acquired 2543 ships, 21 by transfer from other departments of the government, 103 by purchase, 105 by seizure from enemies and 2314 by construction. Of these, 1851 were cargo steamers, 152 tankers, 58 passenger, 19 refrigerator, 35 transport, 19 collier, 161 tugs and 110 barges.

Of the 2543 acquired, 1507 have been sold since the war, 87 lost, and 98 transferred to other departments of the government.

June 30, 1927, 833 vessels remained on hand. Of these 772 are cargo, 11 tankers, 14 passenger, 14 refrigerator, 12 tugs and 10 barges.

About 300 are in active operation, 158 serving in the European trade, 18 in the Mediterranean, 27 in the South American, and 83 in the Far East trade.

The balance are the laid up inactive fleet.

"Our shipping will strengthen American genius and determination because carrying is second only to production in establishing and maintaining the flow of commerce to which we rightfully aspire."

WARREN G. HARDING



American Freighter Unloading at Constantinople.

The Merchant Fleet Corporation

The Merchant Fleet Corporation was organized during the war as the Emergency Fleet Corporation and the government owns all the capital.

It was organized to buy, requisition, build and secure by all means and with all possible speed the ships needed by the government to transport our troops, equipment, supplies and provisions to sustain our armies and the navy and aid our allies on the battle fields of Europe in the cause of civilization.

It is now in direct charge of the care and operation of all merchant vessels owned by the government under the supervision of the United States Shipping Board.

"To the spread of our trade in peace and the defense of our flag in war a great and prosperous merchant marine is indispensable."

THEODORE ROOSEVELT

A Motor Ship

A motorship is a vessel propelled by an internal combustion engine, commonly called a "Diesel" engine.

The Merchant Fleet Corporation now have seven motorships in service and six more in the process of conversion from steam to Diesel.

The advantages claimed for a motorship over a steam vessel, are: faster speed, smaller crew, greater economy in operation and better service to shippers, which is a vital factor in securing freight for transportation in competition with foreign ships.

Importance of Merchant Fleet

The World War demonstrated the imperative need for American owned ships, that could be made available for the use of the government made available for the use of the government to support its armies and the navy in case of war.

The cost and waste incurred in our feverish haste to secure ships during the war, when millions of our best men were on the battlefields and in training, when time of delivery regardless of cost was the essential and controlling element, is a pageful chapter in the history of our republic.

If we would avoid a repetition of this wasteful experience we must make ample provision for an adequate American Merchant Marine, privately owned and operated if possible, but in any event an AMERICAN MERCHANT MARINE.

"There is only one protection of our commerce from discrimination and from combinations which would impose onerous freight rates. That is to maintain upon these trade routes the regular operation of very substantial shipping under the American flag."

HERBERT HOOVER,



Cocoa from Africa Loaded from Surf Boats.

OUR FOREIGN COMMERCE

IT is the practice, in most cases enforced by law or regulation, that ships shall pay off the crew, buy provisions and supplies and make repairs in the home port. American ships in American, and foreign ships in foreign home ports.

In 1927, 5,761 ships were required to carry the commerce to and from the United States which was 113 million cargo tons, valued at close to 10 billion (10 thousand million) dollars. The freight bill was seven hundred and twenty-eight million (\$728,000,000.00) dollars. If only half of this was paid to American vessels it would be 364 million dollars (\$364,000,000.00).

"Of what benefit is a balance of trade in our favor if we pay most of it for freight?"

SENATOR WESLEY L. JONES



A Cargo of Flour for an American Ship.

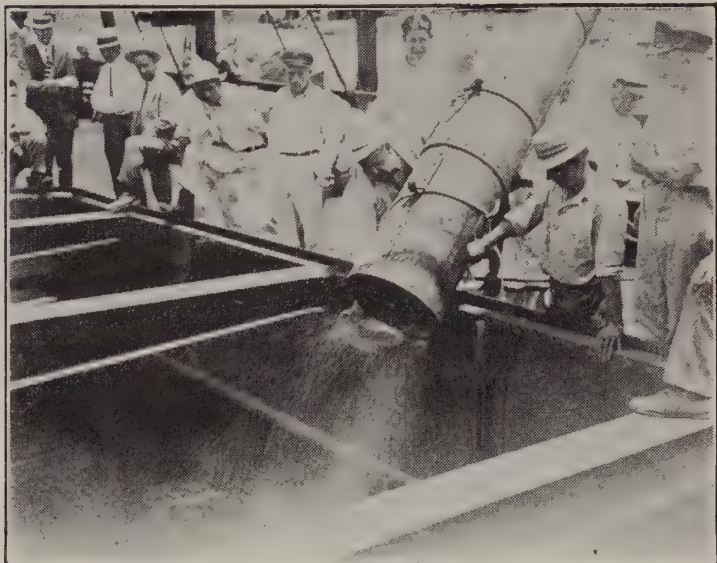
At \$1000 per family it means support in the United States instead of some foreign country of 364,000 families.

Counting four to the family it means support and buying power for 1,456,000 people in the United States and everybody in our country eats meat, bread, butter, eggs, milk, fruit and vegetables and wears clothes and shoes and requires housing and fuel.

AMERICA'S SHIPS HELP FARMERS

Extract from an article appearing in the Indiana Farmers' Guide, April 3, 1926.

IN the fall of 1924, the United States found itself with an enormous wheat surplus of about 250,000,000 bushels available for export. Upon the disposition of this surplus depended whether the price of wheat would go up or down. * * * Then came an unexpected



Loading American Wheat for Far Away Ports.

demand from foreign markets for this wheat if it could be shipped immediately. There were no ships available. But a good angel came along, supplied the boats, carried the wheat to Europe, and the market soared, bringing some show of prosperity to the farmers. This angel was the United States Shipping Board.

"The merchant marine, essential to the economic development of our country in time of peace, becomes a vital element of national defense in time of war. Its building up and development with vision and resolution is a subject of importance to every citizen."

SECRETARY OF NAVY WILBUR

WHAT OTHER NATIONS THINK OF SHIPBUILDING

THE United States has a foreign trade volume equal to about 15% of the entire world commerce, yet on September 30, 1927, less than 3% of the world ship tonnage under construction was credited to this country. Out of a total of 3,074,057 tons only about 91,000 tons were being built in American ship-yards.

A comparison of the construction by principal maritime countries follows:

Great Britain.....	50.1%
Germany	10.3%
Italy	6.7%
Holland	5.3%
France	4.2%
Denmark	3.1%
United States	3.0%
Sweden	2.8%
Russia	2.5%

Russia, with less than 1/20 of our trade volume, was trailing us by the equivalent of one 10,000 ton ship.

WORLD WHEAT PRODUCTION

THE larger wheat countries of the world in 1927 produced:—

United States	871,691,000
Russia	749,560,000
Canada	440,025,000
British India	333,797,000
France	284,355,000
Argentina	239,162,000
Italy	195,808,000
Australia	109,000,000
Spain	144,824,000
Roumania	96,797,000

Compiled from official reports of the countries named and from International Institute of Agriculture.

American Flag Passenger Services

INCLUDED in the 24 lines operated for the United States Shipping Board are several which offer exceptional passenger services.

The United States Lines to Europe, noted for the excellence of cuisine and accommodations, includes the famous Leviathan, the world's largest ship.

The American Merchant Lines make weekly sailings between New York and London with a limited number of passengers at an economical rate.

The Atlantic Australian and American India Lines carry a limited number of passengers from New York to Australia, and India returning via Suez.

The American West African Line carries a limited number of passengers between New York and the West Coast of Africa, including the Azores, Canary and Madeira Islands.

For full information regarding these services—rates, sailings, accommodations—write for illustrated booklet to—

**UNITED STATES
SHIPPING BOARD**

**Merchant Fleet Corporation
Washington, D. C.**

*“An American merchant marine—
vessels unsurpassed on the high seas
—built in American shipyards—man-
ned by American seamen—owned by
American capital—an efficient naval
auxiliary and training school for a
naval reserve—is vital to the future
prosperity and security of our people.”*

VICE-PRESIDENT A. C. DALTON
Merchant Fleet Corporation

